

DATED 15th July 2024

SECOND CHARGE LOAN AGREEMENT

between

Coastal Hotels (NO) Limited

BORROWER

and

The Trustees of Alex22 Pension

LENDER

Contents

Parties

1	Definitions
2	Amount of the loan
3	Advances
4	Repayment conditions
5	Costs
6	Repayment
7	Interest payable
8	Early repayment of part
9	Method of payment
10	Borrower's warranties
11	Event of
12	Notice of default
13	Consequences of termination
14	Assignment
15	Promise to provide information
16	Contract is divisible
17	Notices and service
18	Headings
19	Dispute resolution
20	Waiver
21	Jurisdiction

This agreement is dated: 15th July 2024

Parties

- (1) COASTAL HOTELS (NO) LIMITED (Company No 10735356) whose registered office is situate at 54 Wood Street, Lytham St. Annes, Lancashire FY8 1QG (**Borrower**); and
- (2) ALEXANDRA NICOLAY of 63 Prospero Way, Swindon, Wiltshire SN25 1SY acting as and for the Trustees of Alex22 Pension (**Lender**).

Background

The Lenders have agreed to provide the Borrower with a term loan facility of **£70,000**.

The terms of this Agreement are:

1 Definitions that apply to this Agreement:

"Advance"	means a part of the Loan drawn down by the Borrower at his request.
"Basic rate"	means a fixed rate of interest of 2% per calendar month for the term of the loan.
"Second Charge"	means the charge over the Property granted by the Borrower to the Lender as security for the Loan.
"Final Repayment Date"	15 th January 2025
"Interest Date"	means the date in each month interest is payable.
"Loan"	means the total amount of money lent now or at any later date than today, the amount outstanding as due from the Borrower to the Lender whether of capital or interest.
"Security"	means the items set out in Schedule 1 or any one or more of them.

The terms "Lenders" and "Borrower" include in the case of a corporation, any associated or subsidiary company. The Borrower is the legal owner of the commercial property described in Schedule 1 ("the Security"). The Borrower has requested, and the Lender has agreed to provide, a loan to the Borrower, which will be secured by a second charge over the Property.

The Borrower agrees to comply with all covenants and conditions relating to the Second Charge and to do all acts and things necessary to ensure that the Second Charge is a valid and enforceable security interest over the Property.

2 Amount of the Loan

The Loan is in the sum of £70,000 (seventy thousand pounds) or such lesser sum as shall in fact have been lent by the Lenders to the Borrower at any time this Agreement subsists, or such lesser sum as shall be outstanding after part repayment has been made.

3 Advances

- 3.1 Before any new Advance may be drawn down, the Borrower shall send to the Lenders such information that they may require from time to time to be satisfied as to the appropriateness and the judiciousness of the Advance.

4 Repayment conditions

The Loan amount shall be repaid in full no later than 6 (six) months from the date that the advancement is debited from without the prior agreement of the Lenders, or at an earlier date as may be required by the Lenders in the Event of Default or requested by the Borrower, subject to a minimum interest charge of 6 (six) month's.

If the Lenders agree to an extension to the Loan, the Borrower will pay interest on the Loan at the rate of 2% per month for the 3 months following the initial Repayment Date, and interest of 2.25% per month or part month for any subsequent month the Loan is extended by. Loan extensions are at the sole discretion of the Lenders.

5 Costs

The Borrower shall pay all costs and expenses (together with any value added tax on them) incurred in connection with the negotiation and preparation, execution, amendment, extension, alteration, preservation and enforcement of the Loan and/or this Agreement. The costs and expenses will be in addition to the Loan amount plus interest due and will be paid separately by the Borrower, with £2,500 to be paid on the initial draw down of the Loan, and any further costs and expenses arising to be settled on demand from the Lenders.

The Borrower shall pay any stamp, documentary and other similar duties and taxes to which this Agreement may be subject, or give rise and shall indemnify the Lender against any losses or liabilities that it may incur as a result of any delay or omission by the Borrower in paying any such duties or taxes.

6 Repayment

Unless an agreement has been reached between the Borrower and the Lenders to settle the full balance of the Loan before the Repayment Date, the Borrower shall repay the Loan in full by repaying the Repayment Instalment set out below on the Repayment Date.

Repayment Date	Repayment Instalment
15 th January 2025	£78,831.37

The Repayment Instalment is to be comprised of payment to the Lender as set out below:

Repayment Instalment	Lender
£78,831.37	Alex22 Pension

7 Interest payable

The Borrower shall pay interest on the Loan at the rate of 2% per month for the term of the loan, with a minimum charge period of 6 months interest imposed.

8 Early repayment of part

The Borrower may repay all or part of the Loan before the due date for repayment provided that not less than seven working days' notice is given by the Borrower to the Lender specifying the amount proposed to be prepaid. Early repayment of the Loan would still be subject to a minimum charge period of 6 months interest. This notice then binds the Borrower to make that payment on the date he has specified.

9 Method of payment

- (a) All payments made by the Borrower under this Agreement shall be in Sterling and in immediately available cleared funds to the Lenders on the Repayment Date, unless otherwise agreed with the Lenders, in the amounts specified to the following account:
- i) £78,831.37 to be paid to the Alex22 Pension via Bank Account number **45798453**, sort code **23-05-80** with **Metro Bank** or such other account(s) as the Lender may notify the Borrower.
- (b) If any payment becomes due on a day that is not a Business Day, the due date of such payment will be extended to the next succeeding Business Day, or, if that Business Day falls in the following calendar month, such due date shall be the immediately preceding Business Day.
- (c) All payments made by the Borrower under this Agreement shall be made in full, without set-off, counterclaim or condition, and free and clear of, and without any deduction or withholding, provided that, if the Borrower is required by law or regulation to make such deduction or withholding, it shall:
- i) ensure that the deduction or withholding does not exceed the minimum amount legally required;
- ii) pay to the relevant taxation or other authorities, as appropriate, the full amount of the deduction or withholding;
- iii) furnish to the Lenders, within the period for payment permitted by the relevant law, either:
- (i) an official receipt of the relevant taxation authorities concerned on payment to them of amounts so deducted or withheld; or
- (ii) if such receipts are not issued by the taxation authorities concerned on payment to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding; and
- iv) pay to the Lenders such additional amount as is necessary to ensure that the net full amount received by the Lenders after the required deduction or withholding is equal to the amount that the Lenders would have received had no such deduction or withholding been made.

10 Borrower's warranties

The Borrower represents and warrants that:

- 10.1 It is authorised to enter into this Agreement;
- 10.2 the execution of this Agreement, the borrowing, and the performance by the Borrower of his obligations are fully within the Borrower's legal authority, are not in breach of the Articles of Association of the Borrower, and do not and will not contravene or be in conflict with any provision of law or of any agreement binding upon the Borrower.
- 10.3 the Borrower has no undisclosed contingent obligations;
- 10.4 there are no material, unrealised or anticipated losses from any present commitment of the Borrower;

- 10.5 the Borrower will advise the Lenders of material adverse changes which occur at any time prior to the date of final payment;
- 10.6 no litigation, arbitration proceedings or governmental proceedings are pending or threatened against the Borrower which would, if adversely determined, materially adversely affect the financial condition of the Borrower.
- 10.7 the Borrower has filed all tax returns, if any, which are required to be filed, and has paid all taxes which have become due;
- 10.8 The Security is owned by the Borrower with no encumbrance or charge to any other person, other than the existing first charge.
- 10.9 The execution and delivery of the second charge will not breach any agreement or obligation binding on the borrower.
- 10.10 Not to create any further charges or encumbrances over the Property without the prior written consent of the Lender.

11 Event of Default

An "Event of Default" occurs when:

- 11.1 Each of the events or circumstances set out in this clause 7 (other than this clause 11.1) is an Event of Default.
- 11.2 The Borrower fails to pay any sum payable under this Agreement, unless its failure to pay is caused solely by an administrative error or technical problem and payment is made within three (3) Business Days of its due date.
- 11.3 The Borrower fails (other than by failing to pay), to comply with any provision of this Agreement or the second charge (and if the Lender considers, acting reasonably, that the default is capable of remedy), such default is not remedied within fourteen (14) Business Days of the earlier of:
 - 11.3.1 the Lender notifying the Borrower of the default and the remedy required; and
 - 11.3.2 the Borrower becoming aware of the default.
- 11.4 The Borrower stops or suspends payment of any of its debts, or is unable to, or admits its inability to, pay its debts as they fall due.
- 11.5 The value of the Borrower's assets is less than its liabilities (taking into account contingent and prospective liabilities).
- 11.6 A moratorium is declared in respect of any Indebtedness of the Borrower.
- 11.7 Any action, proceedings, procedure or step is taken for:
 - 11.7.1 the suspension of payments, a moratorium of any Indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Borrower; or
 - 11.7.2 the composition, compromise, assignment or arrangement with any creditor; or
 - 11.7.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its assets.

- 11.8 The Borrower commences negotiations, or enters into any composition, compromise, assignment or arrangement with one or more of its creditors with a view to rescheduling any of its Indebtedness (because of actual or anticipated financial difficulties).
- 11.9 A distress, attachment, execution, expropriation, sequestration or another analogous legal process is levied, enforced or sued out on, or against, the Borrower's assets having an aggregate value of £1,000 (or its equivalent in other currencies) and is not discharged or stayed within twenty-one (21) days.
- 11.10 The Borrower ceases, or threatens to cease, to carry on all or a substantial part of its business.

12 Notice of default

- 12.1 Where an Event of Default has occurred the Lenders may issue a notice of default. When the Lenders do so, the whole amount of the Loan then outstanding and any unpaid interest immediately fall due for payment.
- 12.2 Each Event of Default stands on its own, independently from any other Event of Default and shall not be limited by another Event of Default.
- 12.3 When an event of default happens, the Lenders may serve on the Borrower a notice specifying the default.

13 Consequences of Termination

At any time after issue of a valid notice of default by the Lenders:

- 13.1 The Borrower shall pay to the Lender:
 - 13.1.1 all money due at any time under this Agreement;
 - 13.1.2 damages for any breach of this Agreement;

14 Assignment

- 14.1 This Agreement shall be binding upon any successors, permitted assigns and transferees of either party, but the Borrower shall not assign or transfer any of its rights or obligations without the previous written consent of the Lenders.
- 14.2 The Lenders may assign their rights obligations to any other person without consent of the Borrower.
- 14.3 The Lenders may disclose to a potential assignee who may propose enter into contractual relations with the Lenders, such information about the Borrower as the Lenders shall consider appropriate

15 Promise to provide information

Until all obligations of the Borrower under this Agreement have been performed in full and the Loan has been repaid, the Borrower agrees that, unless at any time the Lenders shall otherwise expressly consent in writing, he will furnish to the Lenders:

- 15.1 Within 6 months of the Lenders' Year End during the term of the loan, a financial statement will be provided to the Lenders;
- 15.2 The Lenders may request that the Financial Statement be Independently

Audited and the Borrower will do everything necessary in an expedient manner to assist with that request. The costs for the Audit will be borne by the Borrower.

15.3 The Financial Statement will be prepared on a consolidated basis and in conformity with generally accepted accounting principles, duly certified by an independent and professionally qualified accountant.

15.4 from time to time such other information concerning the Borrower as the Lenders may reasonably request.

16 Contract is divisible

Each sub paragraph in this Agreement is independent and severable from each other paragraph and therefore separately enforceable. If any restriction is unenforceable for any reason but would be enforceable if part of the wording were deleted, it will apply with such deletions as may be necessary to make it valid and enforceable.

17 Notices and service

17.1 Any notice or other information required or authorised by this Agreement to be given by either party to the other may be given by hand or sent by first class pre-paid post, or electronic means to the other party at the address last provided for that type of communication.

17.2 Any notice or other information given by post shall be deemed to have been given on the second day after it was posted; and proof that the envelope containing any such notice or information was properly addressed, pre-paid and posted, or that it has not been so returned to the sender, shall be sufficient evidence that it has been duly given.

17.3 Any notice or other information sent by electronic means, shall be deemed to have been duly sent on the date of transmission.

17.4 Service of any legal proceedings concerning or arising out of this Agreement shall be effected by causing the same to be delivered to the party to be served at his main place of business or his registered office, or to such other address as may from time to time be notified in writing by the party concerned.

18 Headings

The headings in this document are for reference only.

19 Dispute Resolution

In the event of a dispute arising out of this Agreement the parties undertake to attempt to settle it through professional mediation before commencing litigation.

20 Waiver

The failure by either party to enforce at any time or for any period any one or more of the terms or conditions of this Contract shall not be a waiver of them or of the right at any time subsequently to enforce all terms and conditions of this Contract.

21 Jurisdiction

This Contract shall be interpreted according to the Laws of England and the parties agree to submit to the exclusive jurisdiction of the English courts.

THIS AGREEMENT, together with the Schedules, has been signed and delivered by the parties hereto on the date stated at the beginning of it.

Signed by **Rafael Suski**
Acting as Director for and on behalf of
Coastal Hotels (NO) Limited

Suski Rafael
Borrower

In the presence of

Brach Magdalena
Witness name
MAGDALENA BRACH
245-249 PROMENADE
BACHMAN
PHOENIX
Witness Address

Signed by **Alexandra Nicolay**
Acting as Trustee of the Alex22 Pension

.....
Trustee

In the presence of

.....
Witness name

.....
Witness Address

THIS AGREEMENT, together with the Schedules, has been signed and delivered by the parties hereto on the date stated at the beginning of it.

Signed by **Rafael Suski**
Acting as Director for and on behalf of
Coastal Hotels (NO) Limited

.....
Borrower

In the presence of

.....
Witness name

.....
.....
.....
.....


Witness Address

Signed by **Alexandra Nicolay**
Acting as Trustee of the Alex22 Pension


.....
Trustee

In the presence of


.....
Witness name


.....
.....
.....
.....
.....
Witness Address

Schedule 1

The security described:

A second charge over a commercial property - New Osterley Hotel, 80/84 Adalaide Street, Blackpool, Lancashire FY1 4LA